

STATE OF THE CITY OF NORTH LITTLE ROCK

A REPORT TO THE CITY COUNCIL
NORTH LITTLE ROCK, ARKANSAS

BY: MAYOR PATRICK HENRY HAYS

SUBMITTED PURSUANT TO A.C.A 14-58-302

March 31, 2011

FILED _____ A.M. 3:15 P.M.
BY T. J. [Signature]
DATE 3-31-11
Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas
RECEIVED by [Signature]

Technically, the Great Recession ended in late 2009. Realistically, its detrimental effects lingered nationally, as well as locally throughout 2010.

City sales tax revenues continued to slide throughout much of the year. This was not the case with Pulaski County and our neighboring city governments. All of them experienced a sales tax revenue rebound earlier than us. However, by mid year our revenue decline ended. Our sales tax revenue situation improved enough that by year end we were able to provide our dedicated employees, who had not had a raise since August 2008, with a one time bonus of between \$250 and \$750. As I stated in the previous State of the City, with constant monitoring by this administration and department directors, as well as the vigilant oversight by our City Council and sacrifice of our employees, the City of North Little Rock weathered the storm in good shape. In fact, we were able to finance a short term \$7 million sales tax revenue bond issue that provided \$2 million for our parks and \$7 million for other citywide capital improvements. At years end, the City Council adopted a 2011 \$55.18 million budget. This responsible budget represented a 3% increase over the 2010 budget. The 2011 budget also incorporated another 5% residential and 3% commercial electric utility rate reduction.

Among the many important green initiatives commenced in 2010, was breaking ground for Arkansas' first public owned Compressed Natural Gas fueling station available for public use. Compressed natural gas is less expensive and cleaner burning than oil based fuels. Also, it is in abundant supply in this country and this state.

Funding support for this \$725 thousand project was provided by a public-private partnership including the Arkansas Agriculture Department (\$300 thousand), the City of North Little Rock (\$225 thousand), Southwestern Energy (\$100 thousand) and Chesapeake Energy (\$100 thousand). This project is another of the many of which North Little Rock has been a leader among Arkansas local governments.

In January, a modern 2,400 square foot terminal was opened for business at the North Little Rock Municipal Airport. It features a flight planning center where pilots can rest and refresh. Other features include staff offices, a conference room, restrooms, showers with after hours access. This new \$300 thousand terminal is a marked improvement over the existing out of date, difficult to access facility. It will well serve both recreational and commercial users and will be another important contributor to both economic development and a better quality of life.

A major private investment in our downtown has become a great public asset. The Argenta Market is a multi-million dollar grocery store and a restaurant that both feature fresh, ecologically friendly, and locally produced food.

Another capital improvement project will also have a positive impact on downtown North Little Rock. The April announcement that the U.S. Department of Commerce's Economic Development Administration would provide \$2 million for the renovation of the Clinton Presidential Library Bridge which filled a financial gap for the \$10.5 million project. This future landmark will connect our Riverfront Park with the Clinton Presidential Park. The improvements will make the bridge accessible to the

disabled, in addition to walkers, joggers and cyclists. It will make an important contribution to our world class trail system. The City made a \$750 thousand contribution to the effort.

A third major downtown project was initiated last year. The historic Faucette Building at 405 Main Street became the new Argenta Community Theater building. More than \$1.6 million in improvements will create a community facility with soundproof rehearsal rooms, a reception and dinner area with a removable stage and, offices on the first floor with permanent balcony seats. Retractable walls will allow various configurations to fit the event. I look forward to the Argenta Community Theater becoming an integral lifestyle component of and addition to the urban community flourishing downtown.

With the adoption of the Argenta Downtown Master Plan, the City Council gave direction to and guidelines for future downtown development. The public-private partnership that collaborated on this effort is, in my opinion, the very model of cooperation and coordination that will foster the appropriate sustainable developments of the future that will contribute to a high quality, low impact, inviting and exciting place to live, work, play and learn.

Before I leave the subject of downtown plans and developments, in April, the City Council authorized a study to assess the feasibility of extending the RiverRail Trolley north on Main Street. The study will research several alternatives for replacing the Main Street viaduct between 8th and 13th Streets and building trolley lines along

the new facility. Although the trolley is an important consideration, I sincerely believe that the replacement of the aging 1927 viaduct is vitally important to improved traffic circulation, safety, as well as the continued progress in redeveloping and revitalizing the both downtowns in North Little Rock and Little Rock.

Contrary to the sales tax situation, other economy influenced activities rebounded nicely. Somewhat surprisingly, building activity picked up as 164 single family residential permits were issued compared to 102 in 2009; remodeling permits of 212 issued compared with 196 in 2009. Multi-family construction increased by 31% to \$14,467,666 million. Commercial remodeling was up by 50% to a total of \$29,425,873, and 27 new commercial building permits were issued valuing \$19,789,418.

Many other important capital improvement projects were undertaken this past year. One of the largest and one of the most significant was the new "Roundabout" where Pike Avenue meets Riverfront Drive. This \$1.3 million dollar project was financed with federal American Recovery and Reinvestment Act funds administered by the Arkansas Highway and Transportation Department. The circle will allow for a continuous traffic flow by eliminating signals. This will significantly alleviate traffic congestion associated with morning and evening rush hours caused by the large number of workers arriving and leaving several major employers in the area. Featuring rock walls, trees and plants, a rock garden, as well as new sidewalks and drainage

system improvements, it will be a functional yet attractive new entrance to our downtown.

With the new purchase power contract in place, the City was pleased to announce a reduction in rates for 2010 compared to 2009. From April forward, residential rates were reduced 5%, while commercial and industrial customers received a 3% rate reduction. The Plum Point One generating station, which is partially owned by the City of North Little Rock, went online last year, providing base-line capacity for the City and contributing to a lessening of future power price volatility. It is projected that the Plum Point facility will provide about 40% of our electricity. In a move to further reduce price volatility, the City Council passed a risk management policy for electricity purchases. This will enable the City to take advantage of short-term purchased power market cost advantages, while assuring that price volatility is reduced and maintained within stringent guidelines.

The North Little Rock Electric Department also developed a net metering policy, approved and passed by the City Council, to guide the financial obligations of the City toward customers who install alternative generation for their own use, such as windmills, solar cells or other means.

The North Little Rock Electric Department received a \$450,000 grant to improve the efficiency of Murray Hydro Electric Generating Power Plant. These funds were used to secure an automated intake maintenance device at its 39 megawatt plant to clear debris obstructing the intake and allow the facility to operate consistently

at near peak efficiency. This significantly reduces the high cost of dredging. The purpose of this maintenance device is to continuously keep the intake channel clear of the often heavy volume of debris that comes downstream. The wood grinder receives the tree limbs, tree trunks and other organic debris removed by the intake maintenance device. This debris is then turned into organic mulch; the mulch will reduce air pollution in a non-attainment air basin, as well as eliminate the need to periodically burn the waste material caught in the intake system which increases air pollution.

The Green Agenda Committee, established in 2008, was proud to be part of several sustainability initiatives in 2010. The Committee assisted in developing an ordinance that requires any new city building over 5,000 square feet that is built or remodeled, must be built to LEED Silver standards. The Green Agenda Committee established a street lighting taskforce that recommended the City adopt the IESNA (Illuminating Engineering Society of North America) Lighting Handbook's lighting standards for street lighting. This standard provides adequate lighting, while reducing night sky pollution.

The Green Agenda Committee began work with International Council for Local Environmental Initiatives (ICLEI) and the University of Arkansas to establish the carbon footprint for North Little Rock. Establishing this baseline allows the City to understand the impact of variables such as electricity use, vehicle miles traveled, energy, waste, and recycling on the City's efforts to be a sustainable community.

The Green Agenda Committee continues to provide information on the www.NLRGreen.org website which serves as a repository of North Little Rock's sustainability program and the Green Agenda Committee work.

In order to take a proactive role in building a more livable community, North Little Rock began the development of a local Sustainability Plan in 2010. The planning process utilizes the ICLEI Five Milestone Protocol. This Protocol establishes five program implementation points: 1) Conduct a baseline emissions inventory and forecast; 2) Adopt an emissions reduction target; 3) Develop a local Action Plan; 4) Implement policies and measures; and, 5) Monitor and verify results. North Little Rock established 2008 as the baseline year for the emissions inventory.

This collaborative process utilizes the North Little Rock Green Agenda Committee and City departments to provide a broad base of knowledge and expertise. This plan will help our City in reducing carbon emissions, improving air quality, saving energy, and lessening the impact of rising energy costs, while being good stewards of our environment for future generations.

A Sustainable Action Team (SAT) was launched in 2010 to promote sustainability with all city services throughout North Little Rock. The SAT is composed of representatives from each department. It was formed to expand North Little Rock's "green" initiatives. During its first meeting, departments learned about the importance of taking control of energy usage in City buildings. The team has been gathering data on energy and water use for each city building since 2008. A life cycle cost calculator

for energy efficiency improvements was developed for future departmental energy efficiency retrofit projects. Compiling and reviewing this data and utilizing the life cycle cost calculator will enable city government to better understand how energy is being used and provide guidance for building energy efficiency projects that will have the best return on money invested as a result of energy use reductions and cost savings.

The City of North Little Rock Electric Department received \$599,200 in American Recovery and Reinvestment Act funds from an Energy Efficiency Conversation Block Grant (EECGB) program in November 2009. By the end of 2010, 35% of EECGB tasks were completed, and \$213,340 of the funds were expended. These efforts and projects that used these funds resulted in 510,000 kilowatt hours of saved electricity.

The City of North Little Rock provides residential energy audit program services at no charge to Electric Department customers. In 2010, 217 audits were conducted, during which an energy efficiency kit was given to each customer. To be energy efficient, customers must be educated about how they can upgrade their homes, modify their routines and look for ways to save energy each day. In 2010, the North Little Rock Electric Department sponsored an energy efficiency sign at Dickey Stephens Ballpark, which directed people to the North Little Rock Electric Department website where they learn about more ways to save energy, as well as find links to online residential energy audits sponsored by Lawrence Berkley Labs. "Watts," the Energy Otter and North Little Rock Electric Department's energy efficiency mascot, received a

national trademark and copyright. Throughout the year, North Little Rock Electric Department employees made presentations to neighborhood groups, civic and church organizations to encourage citizens to think and act more sustainably. At a booth at the Earth Day Festival/Arkansas Travelers' Green Day, employees distributed 2,000 CFL light bulbs and energy efficiency information while Watts kept children busy with energy efficiency activities. From the 2,000 bulbs distributed, the annual energy savings is estimated at 92,700 kwh.

In 2010, eight contractors were approved as part of the Contractor Partner Networks. The North Little Rock Electric Department and the North Little Rock Chamber of Commerce established the network in 2009 to certify contractors by an independent nonprofit third party to ensure they meet the highest levels of customer service and performance in the provision of energy saving instruction and equipment installation. For a great many reasons, our commitment to energy consumption efficiency and sustainability must continue to have the highest priority.

Because of our superior recreational facilities, North Little Rock has a myriad of recreational opportunities available to residents and visitors. However, in 2010, the health of our citizenry from youth to seniors took on new emphasis and direction. Last September, the federal Center for Disease Control of the U.S. Department of Health and Human Services announced a \$1.519 million American Recovery and Reinvestment Act funded a grant to the City to fund childhood obesity prevention initiatives and promote healthy lifestyles in both the City and the North Little Rock

School District. Independence County was the only other Arkansas government to receive a grant. In fact, there were only ten awarded nationwide for that round of funding. Our partnership with the North Little Rock School District will support public health efforts to help reduce obesity, increase physical activity, improve nutrition and decrease smoking under our Communities Putting Prevention to Work (CPPW) Program.

Childhood obesity continues to be a serious societal problem. In fact, almost 1 in 3 children in the United States is considered overweight or obese. Over the past 20 years, childhood obesity rates have doubled and are at epidemic rates. If current trends continue, today's kids could be the first generation to live shorter lives than both their parents and grandparents.

The Communities Putting Prevention to Work Program's objective is to reduce and eliminate childhood obesity. We will provide real tools and solutions by taking a comprehensive approach in helping to expand citywide sports and recreation programs. The program focuses on the development of neighborhood parks and playgrounds activities; supports active transit infrastructure improvements, such as sidewalks and bike paths throughout the City. We will build upon existing partnerships, coalitions and advisory boards to address access to physical activities and healthy eating throughout the community and especially within the North Little Rock School District. Recent research finds that a healthier school environment can result in greater academic achievement and healthier lives for both students and school staff.

Reducing obesity risk factors, preventing and/or delaying chronic disease, and promoting wellness through policy, systems and environmental changes will take a joint effort. We plan to work collaboratively with various groups, like the Arkansas Coalition for Obesity Prevention, Arkansas Department of Health, Arkansas Department of Education, and the North Little Rock School District to promote, implement and sustain policy changes that will help combat childhood obesity in North Little Rock.

Youth were not the only age group to receive our attention. Activity and activities at the Senior Citizens Center continued to increase. The seven year old facility is a home away from home for about 15 thousand seniors.

During 2010, Arkansas' only local government Health Department aggressively confronted the flu epidemic by providing free flu vaccine to all School District students and a Mass Flu Clinic for our citizens. More than 4 thousand people were immunized.

Public safety is an important factor of the healthy community equation. Conventional wisdom assumes that crime, especially property crimes increase during tough economic times. That was not the case for us last year. Overall major crime decreased by 16 percent from the prior year. Even better was that robberies were down 25 percent while murders were 50 percent less than in 2009. Overall property crime was down by 15 percent featuring a 28 percent reduction in burglaries. Our police officers responded to 68 thousand calls. Of the nearly 17 hundred cases assigned to further investigation, an enviable 82 percent were solved. In November, a 3 year effort culminated in the Department receiving accreditation from the International

Commission on Law Enforcement Accreditation. To achieve this prestigious designation, the Department had to evidence compliance with more than 380 mandatory and 100 other standards. In addition, passing a rigorous on site inspection was required. In Arkansas, only 7 law enforcement agencies have achieved this recognition. Nationally, only 10 percent of 16,000 law enforcement agencies have been accredited.

Responding to more than 17 thousand incidents and an average of more than 14 fires per month, our Fire Department had a busy year. It also had a productive year. The total value of structures affected by fire valued more than \$35 million, yet the actual fire damage amounted to slightly over \$3.6 million. Indeed, a testimony to rapid response and effective teamwork. Department outreach and community relations continued to receive an appropriate emphasis, with 86 Adopt a School, 197 Fire Fighters Organized Community Understanding on Safety (FOCUS), and 153 public relations events, as well as 43 youth Smokehouse fire training sessions and 20 fire station tours. Approximately 1,500 people attended our annual Firefest in October.

Police and Fire Department responses are dependent upon an effective and efficient communication system. Our Emergency Services Center will benefit from a \$900 thousand grant from the U.S. Department of Homeland Security to add new equipment and renovate its facility. An additional \$300 thousand was committed to the project by the City Council. Another Homeland Grant of more than \$90 thousand allowed us to purchase new equipment for first responders and make emergency

preparedness plans. More than \$70 thousand emergency calls were processed by our Emergency Services Department last year.

A greener, healthier and safer community was complemented with a cleaner city. In addition to routine Code Enforcement and Sanitation Department operations, as well as the Police Department's Support Abatement Fines and Enforcement (SAFE) Program, several more events in 2010 evidenced our commitment to a cleaner City.

One event held last year combined "Clean and Green." On April 22, the 40th Earth Day was celebrated across the nation. In North Little Rock, we celebrated by hosting Arkansas' largest environmental festival in the beautiful Northshore Park along the bank of the Arkansas River. Live music, arts and crafts, activities, and environmental education took place throughout the day. Learning how each of us can help with global efforts to conserve natural resources and energy, as well as to preserve, protect and improve our environment was the theme of our Earth Day celebration. People did not just attend, they participated. In addition to being educated, people took part by dropping off recyclable materials, using recycled products and by not using either plastic or styrofoam containers.

Of course, our annual City Clean Up Day and periodic electronic equipment collections were successes as was a more targeted event. In March, residents, police, code enforcement and animal control officers, volunteered their time to clean-up the Baring Cross neighborhood.

The Clean Up was not the only event that heralded a revitalized, renewed neighborhood. In January, we announced the receipt of a \$6.4 million Neighborhood Stabilization Program (NSP) Grant from the U.S. Department of Housing and Urban Development. The funds will be used to purchase, renovate and sell existing houses, as well as purchase vacant lots and build new houses for sale on those sites. Both the renovated and new houses will be energy efficient. A second NSP Grant was announced for the same Baring Cross neighborhood in September. This \$2 million came through the Arkansas Development and Finance Authority. Both programs were funded by the federal stimulus program. The funds are to be used to help stabilize and revitalize neighborhoods that were detrimentally impacted by foreclosures and abandonment. Using these funds along with other new investments from city, non-profit and private sources as the catalyst, I foresee a residential renaissance for this once thriving section of North Little Rock.

While these community development milestones were reached last year, a couple of economic development milestones were also achieved. Caterpillar's newest North American manufacturing facility opened for business and is well on its way to employing 600 or more people in eastern North Little Rock. In the western part of the City, the former Brent and Sam's Cookies plant was purchased and occupied by Westrock Coffee. Westrock is an interesting start up company. It purchases premium coffee beans from farmers in the poor African country of Rwanda, ships them to the North Little Rock plant where they will be roasted, packaged and distributed. I look

forward to the words "Made in North Little Rock" on Westbrook Coffee products made by a company making positive impacts on the economies of a city in the United States and a nation in Africa.

A very important citywide effort preceded a significant once a decade event, the U.S. Census. Our Office of Community Relations took the lead in organizing volunteers who would inform residents about the census process and the importance of an accurate count. I do not know of another local government in Arkansas that more actively and aggressively involved its residents with this important matter. Indeed, one that has consequences for the next ten years.

Finally, a most meaningful capital improvement project was completed last year on city property. City employees and a group of committed volunteers designed, funded and built our own Veterans' Memorial. Located in the southeast corner of the beautifully serene Laman Library Plaza, it is a subtle, humble yet poignant honor for the 80 North Little Rock citizens who made the ultimate sacrifice for this city, state and nation. The Veteran's Memorial features their names etched in nine granite pieces. The granite pieces make a half circle around a statue of the "Fallen Soldier's Cross" which features two combat boots, a rifle stuck in the ground with a soldiers helmet on top of it. Behind the cross and in the middle of the other eight granite pieces is the largest piece with the inscription "All Gave Some....Some Gave All." Appropriately, this tribute was dedicated on November 11th, 2010; Veterans' Day across the nation.

This report and previous annual statements have shown that for more than two decades, we have worked together to lay a foundation for the future upon which a new North Little Rock is being built. The progress must continue, after all it is our city and our future.